

Michigan Department of Treasury
486 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Chippewa-Luce-Mackinac Community Action	County Chippewa
Fiscal Year End 9/30/06	Opinion Date 3/21/07	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

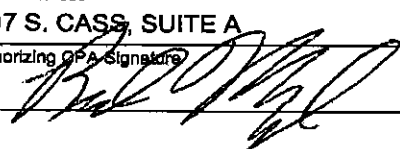
YES NO

Check each applicable box below. (See Instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None in current year	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) REHMANN ROBSON		Telephone Number (231) 946-3230	
Street Address 107 S. CASS, SUITE A		City TRAVERSE CITY	State MI
Zip 49684			
Authorizing CPA Signature 	Printed Name BRAD MROZINSKI, CPA	License Number 1101026035	

**CHIPPEWA - LUCE - MACKINAC COMMUNITY
ACTION HUMAN RESOURCE AUTHORITY, INC.**

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ACTION HUMAN RESOURCE AUTHORITY, INC.**

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REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

INDEPENDENT AUDITORS' REPORT

March 21, 2007

Board of Directors
Chippewa - Luce - Mackinac Community
Action Human Resource Authority, Inc.

We have audited the accompanying statement of financial position of the **Chippewa - Luce - Mackinac Community Action Human Resource Authority, Inc.** (the "Authority") (a not-for-profit organization) as of September 30, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2007 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Authority taken as a whole. The accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the accompanying supplemental financial information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

FINANCIAL STATEMENTS

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2006

ASSETS

Cash and cash equivalents	\$ 363,139
Investments	53,050
Accounts receivable	237,883
Grants receivable	647,584
Prepaid expenses and other assets	71,981
Real estate being developed for other agency	1,234,542
Property and equipment, net	<u>3,170,227</u>

Total assets	<u>\$ 5,778,406</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 562,264
Accrued liabilities	213,557
Notes payable	<u>1,501,052</u>

Total liabilities	<u>2,276,873</u>
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Net assets

Temporarily restricted for Low Income Heating Assistance Program	2,733
Temporarily restricted for Health Care Self Insurance costs	<u>107,323</u>
Total temporarily restricted net assets	110,056
Unrestricted net assets	
Undesignated	<u>3,391,477</u>

Total net assets	<u>3,501,533</u>
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Total liabilities and net assets	<u>\$ 5,778,406</u>
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The accompanying notes are an integral part of these financial statements.

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2006

	Unrestricted	Temporarily Restricted	Total
Support			
Grants and contracts	\$ 6,364,145	\$ -	\$ 6,364,145
Cash contributions	963,834	-	963,834
In-kind contributions	764,383	-	764,383
Participants and projects	604,720	107,323	712,043
Total support	8,697,082	107,323	8,804,405
Revenue			
Interest	6,712	-	6,712
Other	261,465	-	261,465
Rent	399,334	-	399,334
Total revenue	667,511	-	667,511
Net assets released from restrictions			
Restrictions satisfied by payments	97,615	(97,615)	-
Total support, revenue and reclassifications	9,462,208	9,708	9,471,916
Expenses			
Program services			
General Administration	261,023	-	261,023
Health and Human Services	3,274,541	-	3,274,541
General Transportation	335,763	-	335,763
Senior Programming	1,133,699	-	1,133,699
Energy Crisis	542,108	-	542,108
Early Childhood Education	334,042	-	334,042
Housing and Community Development	254,344	-	254,344
Plant	555,930	-	555,930
Avery Square Retail	291,818	-	291,818
Veterans' Housing	167,061	-	167,061
Total program services	7,150,329	-	7,150,329
Supporting services			
Management and general	880,280	-	880,280
Total expenses	8,030,609	-	8,030,609
Change in net assets	1,431,599	9,708	1,441,307
Net assets - beginning of year	1,959,878	100,348	2,060,226
Net assets - end of year	\$ 3,391,477	\$ 110,056	\$ 3,501,533

The accompanying notes are an integral part of these financial statements.

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2006

	Program Services			
	General Administration	Health and Human Services	General Transportation	Senior Programming
Salaries	\$ 97,896	\$ 1,405,919	\$ 189,961	\$ 522,685
Payroll taxes	10,353	177,457	22,273	80,971
Payroll fringes	23,011	413,037	52,097	65,854
Total personnel related expenses	131,260	1,996,413	264,331	669,510
Consultants and contracted services	42,594	40,870	4,576	9,039
Travel	7,738	54,574	383	61,607
Space costs	318	188,987	7,825	76,927
Communications	4,259	43,057	5,625	9,931
Consumable supplies	70,944	180,875	314	217,397
Purchase/rent of equipment	-	39,906	2,808	-
Interest	-	-	-	-
Other costs	1,251	101,000	49,901	12,443
Depreciation	-	-	-	-
In-kind expenditures	2,659	628,859	-	76,845
Total expenses	\$ 261,023	\$ 3,274,541	\$ 335,763	\$ 1,133,699

The accompanying notes are an integral part of these financial statements.

Energy Crisis	Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail	Veterans' Housing
\$ 101,351	\$ 163,674	\$ 13,062	\$ 28,732	\$ -	\$ 57,439
11,125	21,612	887	4,713	-	7,390
23,458	44,524	4,573	8,819	-	18,429
135,934	229,810	18,522	42,264	-	83,258
2,448	230	914	5,958	28	75
2,334	26,665	3,360	340	4	1,144
639	14,683	2,626	285,378	175,318	72,220
1,586	1,212	415	4,320	-	4,285
152,770	2,137	16	3,282	3,265	1,605
1,675	-	-	1	-	-
-	-	-	46,968	28,430	-
244,722	3,285	228,491	4,434	29,514	4,474
-	-	-	162,985	55,259	-
-	56,020	-	-	-	-
\$ 542,108	\$ 334,042	\$ 254,344	\$ 555,930	\$ 291,818	\$ 167,061

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2006

		Supporting Services	
	Total Program Services	Management and General	Total Expenses
Salaries	\$ 2,580,719	\$ 465,173	\$ 3,045,892
Payroll taxes	336,781	42,997	379,778
Payroll fringes	653,802	136,290	790,092
Total personnel related expenses	3,571,302	644,460	4,215,762
Consultants and contracted services	106,732	36,903	143,635
Travel	158,149	12,034	170,183
Space costs	824,921	62,938	887,859
Communications	74,690	45,514	120,204
Consumable supplies	632,605	68,838	701,443
Purchase/rent of equipment	44,390	4,969	49,359
Interest	75,398	-	75,398
Other costs	679,515	4,624	684,139
Depreciation	218,244	-	218,244
In-kind expenditures	764,383	-	764,383
Total expenses	\$ 7,150,329	\$ 880,280	\$ 8,030,609

The accompanying notes are an integral part of these financial statements.

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2006

Cash flows from operating activities

Change in net assets	\$ 1,441,307
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	218,244
Loss on disposal of assets	1,846
Changes in operating assets and liabilities which (used) provided cash:	
Accounts receivable	(122,527)
Grants receivable	(239,697)
Prepaid expenses and other assets	37,789
Accounts payable	433,149
Accrued liabilities	<u>(59,596)</u>

Net cash provided by operating activities	<u>1,710,515</u>
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Cash flows from investing activities

Purchase of investments	(11,500)
Real estate development construction payments	(1,234,542)
Property and equipment purchases	<u>(70,467)</u>

Net cash used in investing activities	<u>(1,316,509)</u>
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Cash used in financing activities

Repayment of notes payable	<u>(196,419)</u>
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Net increase in cash and cash equivalents	197,587
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Cash and cash equivalents, beginning of year	<u>165,552</u>
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Cash and cash equivalents, end of year	<u><u>\$ 363,139</u></u>
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The accompanying notes are an integral part of these financial statements.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The accompanying financial statements include the accounts of the *Chippewa - Luce - Mackinac Community Action Human Resource Authority, Inc.* (the "Authority"). The Authority's programs benefit the economically deprived citizens in Chippewa, Luce and Mackinac counties in the Eastern Upper Peninsula of Michigan by administering programs funded predominantly by federal, state and local governments. The Authority provides the following services and programs:

General Administration

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Authority's program strategy through the Office of the Director; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Authority; and manage the financial and budgetary responsibilities of the Authority.

Health and Human Services

The Authority operates federally funded Head Start and Early Head Start programs for qualifying children in the region.

General Transportation

The Authority operates the City of Sault Ste. Marie and Mackinac County state and federally funded public transportation programs.

Senior Programming

The Authority operates numerous state and federally funded programs designed to deliver needed services to the region's senior population.

Energy Crisis

The Authority administers energy assistance programs to the region's low income residents, including a Weatherization program that provides energy conservation renovations to the homes of qualifying individuals or families.

Early Childhood Education

The Authority administers the State of Michigan Four Year Old Program as selected by the EUP Intermediate School District.

Housing and Community Development

The Authority administers Community Development Block Grant programs to residents in the three county region, including housing rehabilitation and Homebuyer assistance programs.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Plant

The Authority accounts for the assets, debt and equipment expenses related to administration and program buildings in Sault Ste. Marie and St. Ignace.

Avery Square Retail

The Authority rents office space to tenants in the Avery Square Center building.

Veterans' Housing

The Authority is the developer of a low income supportive housing project in Sault Ste. Marie, Michigan.

Related Parties

The Authority owns a one-percent interest in the Avery Square Senior Housing Limited Dividend Association Limited Partnership (the "Partnership") at September 30, 2006 and provides administrative assistance. The 1% interest in the partnership is not considered material and is therefore not included in the accompanying financial statements. During the year ended September 30, 2006, the Authority made payments on behalf of, and was reimbursed by the Partnership for utilities, building maintenance, salaries and benefits of \$108,113. As of September 30, 2006, accounts receivable from the Partnership were \$33,569. These reimbursements are classified as revenues in the caption "participants and projects" support. The Partnership reimburses the Authority upon receipt of itemized expenditures.

The Authority, through its wholly-owned subsidiary Avery North Shore, Inc., owns a .01% interest in the SMRC Limited Dividend Housing Association Limited Partnership ("SMRC"). Avery North Shore, Inc. is the General Partner of SMRC. The .01% interest in SMRC is not considered material and therefore is not included in the accompanying financial statements. The Authority is the developer of the low-income housing project that the SMRC partnership was established to create and operate. During the year the Authority made payments on behalf of, and was reimbursed by SMRC for utilities, building maintenance, salaries and benefits of \$113,086. As of September 30, 2006, accounts receivable from SMRC were \$18,962. These reimbursements are classified as revenues in the caption "participants and projects" support." SMRC reimburses the Authority upon receipt of itemized expenditures.

The Authority, through its wholly-owned subsidiary Moran Bay Development Corporation, owns a .01% interest in the St. Ignace Senior Limited Dividend Housing Association Limited Partnership ("St. Ignace"). Moran Bay Development Corporation is the General Partner of St. Ignace. The .01% interest in St. Ignace is not considered material and therefore is not included in the accompanying financial statements. The Authority is the developer of the low-income housing project that St. Ignace was established to create and operate. The project is under construction as of September 30, 2006. Construction costs incurred on behalf of the Authority are reflected in the account "Real estate being developed for other agency". In addition, during the year the Authority made payments on behalf of, and was reimbursed by St. Ignace for utilities,

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

building maintenance, salaries and benefits of \$952. These reimbursements are classified as revenues in the caption “participants and projects” support. St. Ignace reimburses the Authority upon receipt of itemized expenditures.

During the year ended September 30, 2003 the Authority entered into a loan agreement with the Great Lakes Capital Fund (“GLCF”) and received proceeds of \$30,000. These proceeds, pursuant to the agreement with GLCF, were transferred to an employee that was eligible for a Native American Small Business Development Loan. The employee has entered into a loan agreement with the Authority for \$30,000. The Authority collects principal and interest payments from the employee and subsequently transmits the funds to GLCF for repayment of the Authority’s loan. The balance of the loan at September 30, 2006 was \$25,070.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the year. Accordingly, actual amounts could differ from those estimates.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Authority are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting into funds established according to their nature and purposes. For external financial reporting purposes, however, the Authority reports resources classified into unrestricted, temporarily restricted, or permanently restricted net asset categories according to the existence or absence of donor imposed restrictions.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks and cash on hand. The Authority periodically has deposits in financial institutions in excess of federally insured limits; management believes interest rate fluctuation or other financial risk associated with these deposits is not significant. For the purposes of the Statement of Cash Flows, the Authority considers cash deposits and certificates of deposits with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investment securities consist of 2,400 shares of common stock of an entity for which shares are not publicly traded; investments are accounted for using the cost method.

Revenue Recognition

Revenues from funding agencies are recognized over the contract terms with the funding agencies.

Grants and Accounts Receivable

Grants receivable and accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the payment history of grantors and other entities with amounts due to the Authority, and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property and Equipment and Depreciation

Property and equipment are recorded at historical cost or, in cases of donated assets, at estimated fair value on the date of gift. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. Expenditures for major renewals and betterments that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions

Volunteers assist the General Administration, Health and Human Services, Senior Programming and Early Childhood Education programs. The Authority assigns values to such services performed by volunteers when salaried personnel would otherwise perform such services. The Authority values these services at the federal minimum wage, except in those instances where teaching, physician or a nursing service is rendered or if a grantor has preapproved a rate for a specified service. In these situations, the current prevailing wages are recorded. In addition, space is donated to the senior program to operate its meal program. Space is valued at the current market rate of rental. Total in-kind revenue recognized for the year ended September 30, 2006 was \$764,383 and is reflected in the accompanying financial statements as both support and expense.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

The Authority's eligible employees may accumulate up to 30 days of annual leave. Annual leave is recorded as an expense in the fiscal year in which it is earned.

Income Taxes

The Authority is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is also exempt from similar state and local taxes.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following assets:

Land	\$ 171,000
Buildings and improvements	3,423,301
Furniture and equipment	<u>1,159,921</u>
Total property and equipment	4,754,222
Less accumulated depreciation	<u>1,583,995</u>
Property and equipment, net	<u>\$ 3,170,227</u>

In addition to the above property and equipment, the Transportation Program uses equipment purchased with grant funds for which the title remains with the City of Sault Ste. Marie. The Authority maintains an inventory of this equipment, which is estimated at cost in the amount of \$549,000.

3. NOTES AND CONTRACTS PAYABLE

The Authority has a promissory note payable to the Economic Development Corporation of the County of Chippewa. A payment of \$8,258 per month is required including interest at 5.15%. The note is secured by all asset accounts and general intangibles now owned or thereafter acquired; all rents and leases from the real estate associated with or derived from the commonly referred to as Avery Square Project retail portion; and the income stream therefrom. The balance due as of September 30, 2006 is \$449,552.

Approximate maturities of the promissory note for the years subsequent to September 30, 2006 are as follows:

2007	\$ 77,758
2008	81,858
2009	86,175
2010	90,720
2011	95,503
Thereafter	<u>17,538</u>
Total	<u>\$ 449,552</u>

Interest of \$28,430 was charged to expense.

The Authority has various installment purchase contracts payable as follows:

A \$10,820 contract payable to Central Savings Bank for the purchase of 4 Konica 7115 copiers. Payments of \$201 per month are required including interest at 4.25%. The balance due as of September 30, 2006 is \$4,057.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

A \$22,893 contract payable to Central Savings Bank for the purchase of 2 Konica 7045 copiers. Payments of \$449 per month are required including interest at 6.6%. The balance was paid in full during the fiscal year.

A \$68,093 contract payable to Central Savings Bank for the purchase of 2 modular classrooms for the Kinross Headstart program. Payments of \$967 per month are required including interest at 5.15%. The balance was paid in full during the fiscal year.

Approximate maturities of these installment contracts payable for the years subsequent to September 30, 2006 are as follows:

2007	\$ 2,281
2008	<u>1,776</u>
Total	<u>\$ 4,057</u>

Interest of \$310 was charged to expense during the year.

The Authority has entered into a loan agreement with the GLCF (formerly Michigan Housing Trust Fund) for \$30,000 to be used to fund a loan to an employee's local small business. Payments of \$222 per month are required including interest of 4.0%. The balance due at September 30, 2006 is \$25,070. Approximate maturities for the years subsequent to September 30, 2006 are as follows:

2007	\$ 1,691
2008	1,760
2009	1,832
2010	1,906
2011	1,984
Thereafter	<u>15,897</u>
Total	<u>\$ 25,070</u>

Interest of \$1,038 was charged to expense during the year.

The Authority has been awarded a United States Department of Agriculture Rural Community Facilities loan totaling \$1,050,002 to fund the construction of the St. Ignace Multi Purpose Facility. The balance due at September 30, 2006 is \$1,022,373. Principal and interest payments totaling \$58,181 per year are due on May 13 beginning in 2006 and for the subsequent 37 years or until the balance is fully paid including interest of 4.5%. Approximate maturities for the years subsequent to September 30, 2006 are as follows:

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

2007	\$ 13,152
2008	13,744
2009	14,363
2010	15,009
2011	15,685
Thereafter	<u>950,420</u>
Total	<u>\$1,022,373</u>

Interest of \$45,620 was charged to expense during the year.

4. PENSION PLAN

The Authority has established a tax deferred annuity plan under the provisions of the Internal Revenue Code Section 403(b). The plan provides for the Authority to contribute 2% of an employee's gross salary and match employee contributions up to 8%. The Authority's contribution to the plan for the year ended September 30, 2006 was \$173,863.

5. LEASES

The Authority leases classroom facilities from outside organizations. Facilities are rented on a month-to-month basis. Total rent expense for the year ended September 30, 2006 amounted to approximately \$120,000.

6. CONCENTRATIONS

The Authority receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support would adversely impact the current levels of programs and activities.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include an advance grant payment from the Sault Ste. Marie Band of Chippewa Indians to be used for future Low Income Heating Assistance Program expenses in the amount of \$2,733. Premiums charged to contracts and not yet expended are temporarily restricted for future health claims in the amount of \$107,323.

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**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENTS OF FINANCIAL POSITION BY PROGRAM

SEPTEMBER 30, 2006

	General Administration	Health and Human Services	General Transportation	Senior Programming
ASSETS				
Cash and cash equivalents	\$ 687,533	\$ (55,249)	\$ 284,088	\$ (100,567)
Investments	39,250	-	-	13,800
Accounts receivable	12,989	2,531	1,764	66,577
Grants receivable	29,051	303,223	57,518	109,058
Prepaid expenses and other assets	27,318	1,800	46	10,160
Real estate being developed for other agency	-	-	-	-
Property and equipment, net	7,682	-	-	-
Total assets	\$ 803,823	\$ 252,305	\$ 343,416	\$ 99,028
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 17,582	\$ 27,442	\$ 13,160	\$ 23,099
Accrued liabilities	7,460	58,720	26,568	17,378
Notes payable	-	-	-	-
Total liabilities	25,042	86,162	39,728	40,477
Net assets				
Unrestricted net assets				
Unrestricted, undesignated net assets (deficit)	671,458	166,143	303,688	58,551
Temporarily restricted net assets	107,323	-	-	-
Total net assets (deficit)	778,781	166,143	303,688	58,551
Total liabilities and net assets	\$ 803,823	\$ 252,305	\$ 343,416	\$ 99,028

Energy Crisis	Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail & Snookies Deli Operations	Veterans' Housing	All Programs Total
\$ (2,993)	\$ (180)	\$ (32,468)	\$ (116,575)	\$ (326,838)	\$ 26,388	\$ 363,139
-	-	-	-	-	-	53,050
25,075	-	29,850	58,639	21,496	18,962	237,883
19,426	-	104,397	-	(1,164)	26,075	647,584
-	-	-	285	31,945	427	71,981
-	-	1,234,542	-	-	-	1,234,542
-	-	133,500	1,678,225	1,350,820	-	3,170,227
<u>\$ 41,508</u>	<u>\$ (180)</u>	<u>\$ 1,469,821</u>	<u>\$ 1,620,574</u>	<u>\$ 1,076,259</u>	<u>\$ 71,852</u>	<u>\$ 5,778,406</u>
\$ 11,981	\$ 582	\$ 450,899	\$ 7,405	\$ 5,089	\$ 5,025	\$ 562,264
7,622	5,850	3,817	84,233	601	1,308	213,557
-	-	-	1,051,500	449,552	-	1,501,052
<u>19,603</u>	<u>6,432</u>	<u>454,716</u>	<u>1,143,138</u>	<u>455,242</u>	<u>6,333</u>	<u>2,276,873</u>
19,172	(6,612)	1,015,105	477,436	621,017	65,519	3,391,477
2,733	-	-	-	-	-	110,056
<u>21,905</u>	<u>(6,612)</u>	<u>1,015,105</u>	<u>477,436</u>	<u>621,017</u>	<u>65,519</u>	<u>3,501,533</u>
<u>\$ 41,508</u>	<u>\$ (180)</u>	<u>\$ 1,469,821</u>	<u>\$ 1,620,574</u>	<u>\$ 1,076,259</u>	<u>\$ 71,852</u>	<u>\$ 5,778,406</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

SCHEDULE OF ACTIVITIES - BY PROGRAM

YEAR ENDED SEPTEMBER 30, 2006

	General Administration	Health and Human Services	General Transportation	Senior Programming	Energy Crisis
Support					
Cash contributions	\$ 6,000	\$ 3,711	\$ -	\$ 31,205	\$ 55,882
In-kind contributions	2,659	628,859	-	76,845	-
Participants and projects	15,677	67,067	32,066	311,564	-
Grants and contracts	357,803	3,073,770	349,231	938,656	522,896
Total support	382,139	3,773,407	381,297	1,358,270	578,778
Revenue					
Interest	6,712	-	-	-	-
Other	160,761	8,704	250	1,400	14,900
Rent	-	-	-	900	-
Total revenue	167,473	8,704	250	2,300	14,900
Total support and revenue	549,612	3,782,111	381,547	1,360,570	593,678
EXPENSES					
Program services					
Salaries	97,896	1,405,919	189,961	522,685	101,351
Payroll taxes	10,353	177,457	22,273	80,971	11,125
Payroll fringes	23,011	413,037	52,097	65,854	23,458
Subtotal	131,260	1,996,413	264,331	669,510	135,934
Consultants	42,594	40,870	4,576	9,039	2,448
Travel	7,738	54,574	383	61,607	2,334
Space costs	318	188,987	7,825	76,927	639
Communications	4,259	43,057	5,625	9,931	1,586
Consumable supplies	70,944	180,875	314	217,397	152,770
Purchase/rent of equipment	-	39,906	2,808	-	1,675
Interest	-	-	-	-	-
Other costs	1,251	101,000	49,901	12,443	244,722
Depreciation and amortization	-	-	-	-	-
In-kind expenditures	2,659	628,859	-	76,845	-
Total program services	261,023	3,274,541	335,763	1,133,699	542,108
Supporting services					
Salaries	60,670	220,705	42,003	82,848	15,433
Payroll taxes	4,909	21,071	4,051	8,062	754
Payroll fringes	15,551	56,194	20,174	22,293	7,490
Subtotal	81,130	297,970	66,228	113,203	23,677
Consultants	5,470	6,053	1,760	10,725	1,308
Travel	5,056	3,575	-	3,200	-
Space costs	18,432	14,992	1,590	20,907	4,017
Communications	16,450	8,116	1,408	11,972	2,897
Consumable supplies	7,587	35,813	1,590	11,330	2,024
Purchases of equipment	4,969	-	-	-	-
Other costs	1,875	578	168	167	1,502
Depreciation	-	-	-	-	-
Total supporting expenses	140,969	367,097	72,744	171,504	35,425
Total expenses	401,992	3,641,638	408,507	1,305,203	577,533
Change in net assets	147,620	140,473	(26,960)	55,367	16,145
Net assets (deficit) - beginning of year	631,161	25,670	330,648	3,184	5,760
Net assets (deficit) - end of year	\$ 778,781	\$ 166,143	\$ 303,688	\$ 58,551	\$ 21,905

Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail & Snookies Deli Operations	Veterans' Housing	All Programs Total
\$ -	\$ 853,500	\$ 4,500	\$ 425	\$ 8,611	\$ 963,834
56,020	-	-	-	-	764,383
-	61,885	110,694	-	113,090	712,043
345,500	695,505	50	-	80,734	6,364,145
401,520	1,610,890	115,244	425	202,435	8,804,405
-	-	-	-	-	6,712
-	1,516	55,300	17,542	1,092	261,465
-	-	217,373	181,061	-	399,334
-	1,516	272,673	198,603	1,092	667,511
401,520	1,612,406	387,917	199,028	203,527	9,471,916
163,674	13,062	28,732	-	57,439	2,580,719
21,612	887	4,713	-	7,390	336,781
44,524	4,573	8,819	-	18,429	653,802
229,810	18,522	42,264	-	83,258	3,571,302
230	914	5,958	28	75	106,732
26,665	3,360	340	4	1,144	158,149
14,683	2,626	285,378	175,318	72,220	824,921
1,212	415	4,320	-	4,285	74,690
2,137	16	3,282	3,265	1,605	632,605
-	-	1	-	-	44,390
-	-	46,968	28,430	-	75,398
3,285	228,491	4,434	29,514	4,474	679,515
-	-	162,985	55,259	-	218,244
56,020	-	-	-	-	764,383
334,042	254,344	555,930	291,818	167,061	7,150,329
-	31,870	11,644	-	-	465,173
-	2,961	1,189	-	-	42,997
-	9,611	4,947	-	30	136,290
-	44,442	17,780	-	30	644,460
714	444	748	366	9,315	36,903
-	203	-	-	-	12,034
151	1,160	777	-	912	62,938
833	1,103	2,073	10	652	45,514
767	4,266	2,141	292	3,028	68,838
-	-	-	-	-	4,969
-	167	167	-	-	4,624
-	-	-	-	-	-
2,465	51,785	23,686	668	13,937	880,280
336,507	306,129	579,616	292,486	180,998	8,030,609
65,013	1,306,277	(191,699)	(93,458)	22,529	1,441,307
(71,625)	(291,172)	669,135	714,475	42,990	2,060,226
\$ (6,612)	\$ 1,015,105	\$ 477,436	\$ 621,017	\$ 65,519	\$ 3,501,533

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
GENERAL ADMINISTRATION PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	General Administration	Administration and Community Linkages	Developer's Fee	E.U.P. Regional Planning and Development	Michigan Humanities Council	Food Distribution	Commodities Supplies Food Program
Support							
Cash contributions	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	-	-	-	-	-	2,659	-
Participants and projects	-	65	-	15,526	-	86	-
Grants and contracts	-	71,085	-	-	-	85,830	10,536
Total support	6,000	71,150	-	15,526	-	88,575	10,536
Revenue							
Interest	5,003	-	1,709	-	-	-	-
Other	160,229	-	-	-	-	-	532
Rent	-	-	-	-	-	-	-
Total revenue	165,232	-	1,709	-	-	-	532
Total support and revenue	171,232	71,150	1,709	15,526	-	88,575	11,068
EXPENSES							
Program services							
Salaries	-	-	-	5,904	-	7,593	7,599
Payroll taxes	-	-	-	726	-	834	1,149
Payroll fringes	-	-	-	533	-	3,041	1,396
Subtotal	-	-	-	7,163	-	11,468	10,144
Consultants	-	-	-	-	-	-	-
Travel	-	-	-	-	-	6,324	46
Space costs	-	-	-	-	-	159	159
Communications	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	35	58,439	-
Purchase of equipment	-	-	-	-	-	-	-
Other costs	-	11	-	-	300	856	-
In-kind expenditures	-	-	-	-	-	2,659	-
Total program services	-	11	-	7,163	335	79,905	10,349
Supporting services							
Salaries	-	40,025	-	-	-	4,549	-
Payroll taxes	-	3,416	-	-	-	449	-
Payroll fringes	-	8,085	-	-	-	2,769	-
Subtotal	-	51,526	-	-	-	7,767	-
Consultants	4,350	814	-	-	-	159	82
Travel	-	4,639	-	-	-	-	-
Space costs	8,789	1,471	-	5,750	-	-	-
Communications	1,915	10,073	-	2,613	-	202	246
Consumable supplies	4,305	2,496	-	-	-	333	277
Purchase of equipment	4,969	-	-	-	-	209	114
Other costs	1,717	120	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total supporting expenses	26,045	71,139	-	8,363	-	8,670	719
Total expenses	26,045	71,150	-	15,526	335	88,575	11,068
Change in net assets	145,187	-	1,709	-	(335)	-	-
Net assets - beginning of year	210,104	-	408,617	87	915	-	-
Net assets - end of year	\$ 355,291	\$ -	\$ 410,326	\$ 87	\$ 580	\$ -	\$ -

[illegible]

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
HEALTH AND HUMAN SERVICES PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	Training and Technical Assistance				
	Headstart	Early Headstart	Early Headstart	Headstart	
	05ch407340 November 1, 2005 to September 30, 2006	05ch407340 November 1, 2005 to September 30, 2006	05ch407340 November 1, 2005 to September 30, 2006	05ch407340 November 1, 2005 to September 30, 2006	Total
Support					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	-	-	144,015	417,331	561,346
Participants and projects	-	-	-	1,634	1,634
Grants and contracts	-	-	-	-	-
Grants and contracts - FIA	-	-	-	-	-
Grants and contracts - MDOE	-	-	19,668	87,324	106,992
Grants and contracts - HHS	22,245	20,394	910,902	1,744,976	2,698,517
Total support	22,245	20,394	1,074,585	2,251,265	3,368,489
Revenue					
Interest	-	-	-	-	-
Other	-	-	-	3,214	3,214
Rent	-	-	-	-	-
Total revenue	-	-	-	3,214	3,214
Total support and revenue	22,245	20,394	1,074,585	2,254,479	3,371,703
EXPENSES					
Program services					
Salaries	-	-	402,809	842,414	1,245,223
Payroll taxes	-	-	47,470	114,074	161,544
Payroll fringes	350	-	145,735	219,410	365,495
Subtotal	350	-	596,014	1,175,898	1,772,262
Consultants	3,658	4,650	781	30,093	39,182
Travel	15,510	15,221	2,743	18,529	52,003
Space costs	-	-	59,620	110,124	169,744
Communications	-	-	8,818	30,930	39,748
Consumable supplies	-	-	32,159	109,114	141,273
Purchase of equipment	-	-	23,585	4,827	28,412
Other costs	500	299	5,621	86,108	92,528
In-kind expenditures	-	-	144,015	417,331	561,346
Total program services	20,018	20,170	873,356	1,982,954	2,896,498
Supporting services					
Salaries	-	-	37,167	165,063	202,230
Payroll taxes	-	-	3,671	16,084	19,755
Payroll fringes	-	-	14,472	36,957	51,429
Subtotal	-	-	55,310	218,104	273,414
Consultants	-	-	1,553	4,500	6,053
Travel	2,155	149	85	1,139	3,528
Space costs	-	-	1,197	12,677	13,874
Communications	-	-	518	6,941	7,459
Consumable supplies	72	75	17,642	17,473	35,262
Purchase of equipment	-	-	-	-	-
Other costs	-	-	-	578	578
Total supporting expenses	2,227	224	76,305	261,412	340,168
Total expenses	22,245	20,394	949,661	2,244,366	3,236,666
Change in net assets	-	-	124,924	10,113	135,037
Net assets - beginning of year	-	-	13,146	-	13,146
Net assets (deficit) - end of year	\$ -	\$ -	\$ 138,070	\$ 10,113	\$ 148,183

Training and Technical Assistance Headstart			
Headstart	Early Headstart	Headstart	
05ch40739 October 2005	05ch40739 October 2005	05ch40739 October 2005	Total
\$ -	\$ -	\$ -	\$ -
-	15,253	52,260	67,513
-	42,209	-	42,209
-	-	-	-
-	-	-	-
-	2,130	12,415	14,545
1,636	47,449	184,864	233,949
1,636	107,041	249,539	358,216
-	-	-	-
-	-	5,370	5,370
-	-	-	-
-	-	5,370	5,370
1,636	107,041	254,909	363,586
-	40,967	105,474	146,441
-	3,119	11,463	14,582
-	12,776	29,503	42,279
-	56,862	146,440	203,302
40	174	1,474	1,688
1,534	116	885	2,535
-	10,890	8,025	18,915
-	291	2,409	2,700
15	2,699	13,277	15,991
-	10,431	1,063	11,494
-	472	7,980	8,452
-	15,253	52,260	67,513
1,589	97,188	233,813	332,590
-	3,425	15,050	18,475
-	236	1,080	1,316
-	1,342	3,423	4,765
-	5,003	19,553	24,556
-	-	-	-
47	-	-	47
-	133	985	1,118
-	42	615	657
-	40	407	447
-	-	-	-
-	-	-	-
47	5,218	21,560	26,825
1,636	102,406	255,373	359,415
-	4,635	(464)	4,171
-	-	-	-
\$ -	\$ 4,635	\$ (464)	\$ 4,171

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN NET ASSETS
HEALTH AND HUMAN SERVICES PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	Reading is Fundamental	GLCF Footware	P.A.C.	Temporary Assistance for Needy Families	Program Totals
Support					
Cash contributions	\$ 711	\$ 3,000	\$ -	\$ -	\$ 3,711
In-kind contributions	-	-	-	-	628,859
Participant and project	-	-	23,224	-	67,067
Grants and contracts	-	-	-	-	-
Grants and contracts - FIA	-	-	-	19,767	19,767
Grants and contracts - MDOE	-	-	-	-	121,537
Grants and contracts - HHS	-	-	-	-	2,932,466
Total support	711	3,000	23,224	19,767	3,773,407
Revenue					
Interest	-	-	-	-	-
Other	-	120	-	-	8,704
Rent	-	-	-	-	-
Total revenue	-	120	-	-	8,704
Total support and revenue	711	3,120	23,224	19,767	3,782,111
EXPENSES					
Program services					
Salaries	-	-	-	14,255	1,405,919
Payroll taxes	-	-	-	1,331	177,457
Payroll fringes	-	1,082	-	4,181	413,037
Subtotal	-	1,082	-	19,767	1,996,413
Consultants	-	-	-	-	40,870
Travel	-	-	36	-	54,574
Space costs	-	203	125	-	188,987
Communications	-	100	509	-	43,057
Consumable supplies	729	482	22,400	-	180,875
Purchase of equipment	-	-	-	-	39,906
Other costs	-	20	-	-	101,000
In-kind expenditures	-	-	-	-	628,859
Total program services	729	1,887	23,070	19,767	3,274,541
Supporting services					
Salaries	-	-	-	-	220,705
Payroll taxes	-	-	-	-	21,071
Payroll fringes	-	-	-	-	56,194
Subtotal	-	-	-	-	297,970
Consultants	-	-	-	-	6,053
Travel	-	-	-	-	3,575
Space costs	-	-	-	-	14,992
Communications	-	-	-	-	8,116
Consumable supplies	-	-	104	-	35,813
Purchase of equipment	-	-	-	-	-
Other costs	-	-	-	-	578
Total supporting expenses	-	-	104	-	367,097
Total expenses	729	1,887	23,174	19,767	3,641,638
Change in net assets	(18)	1,233	50	-	140,473
Net assets - beginning of year	366	-	12,158	-	25,670
Net assets - end of year	\$ 348	\$ 1,233	\$ 12,208	\$ -	\$ 166,143

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
GENERAL TRANSPORTATION PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	Section 5309 and 5311 Capital grant Sault Ste. Marie	Sault Ste. Marie	International Bridge	Specialized Services Mackinac County	Project Zero Sault Ste. Marie
Support					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Participants and projects	-	20,636	11,430	-	-
Grants and contracts	8,418	207,705	119,642	10,392	19
Total support	8,418	228,341	131,072	10,392	19
Revenue					
Interest	-	-	-	-	-
Other	-	-	250	-	-
Rent	-	-	-	-	-
Total revenue	-	-	250	-	-
Total support and revenue	8,418	228,341	131,322	10,392	19
EXPENSES					
Program services					
Salaries	-	113,702	61,115	15,144	-
Payroll taxes	-	13,092	7,343	1,838	-
Payroll fringes	-	23,732	22,725	5,640	-
Subtotal		150,526	91,183	22,622	-
Consultants	3,750	704	67	55	-
Travel	-	320	-	63	-
Space costs	-	3,736	2,465	1,624	-
Communications	-	4,462	625	538	-
Consumable supplies	-	172	121	21	-
Purchase of equipment	2,808	-	-	-	-
Other costs	1,240	25,191	13,249	10,221	-
In-kind expenditures	-	-	-	-	-
Total program services	7,798	185,111	107,710	35,144	-
Supporting services					
Salaries	-	24,944	13,669	3,390	-
Payroll taxes	-	2,414	1,333	304	-
Payroll fringes	-	12,001	6,654	1,519	-
Subtotal		39,359	21,656	5,213	-
Consultants	-	1,000	499	260	1
Travel	-	-	-	-	-
Space costs	-	969	476	145	-
Communications	-	779	514	115	-
Consumable supplies	-	955	467	168	-
Purchase of equipment	-	-	-	-	-
Other costs	-	168	-	-	-
Total supporting expenses	-	43,230	23,612	5,901	1
Total expenses	7,798	228,341	131,322	41,045	1
Change in net assets	620	-	-	(30,653)	18
Net assets (deficit) - beginning of year	(523)	227,253	6,050	84,502	11,312
Net assets - end of year	\$ 97	\$ 227,253	\$ 6,050	\$ 53,849	\$ 11,330

Project Zero Mackinac County	Totals
\$ -	\$ -
-	32,066
3,055	349,231
3,055	381,297
-	-
-	250
-	-
-	250
3,055	381,547
-	189,961
-	22,273
-	52,097
-	264,331
-	4,576
-	383
-	7,825
-	5,625
-	314
-	2,808
-	49,901
-	-
-	335,763
-	42,003
-	4,051
-	20,174
-	66,228
-	1,760
-	-
-	1,590
-	1,408
-	1,590
-	-
-	168
-	72,744
-	408,507
3,055	(26,960)
2,054	330,648
\$ 5,109	\$ 303,688

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
SENIOR PROGRAMMING**

YEAR ENDED SEPTEMBER 30, 2006

	Waiver	Client Private Pay	F.I.A.	Respite	Home care Assistance
Support					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	-	-	-	-	-
Participants and projects	149	37,771	135,150	1,091	130
Grants and contracts	188,307	-	-	13,780	38,675
Total support	188,456	37,771	135,150	14,871	38,805
Revenue					
Interest	-	-	-	-	-
Other	114	19	114	-	19
Rent	-	-	-	-	-
Total revenue	114	19	114	-	19
Total support and revenue	188,570	37,790	135,264	14,871	38,824
EXPENSES					
Program services					
Salaries	121,415	24,562	94,138	8,904	27,025
Payroll taxes	15,485	3,808	13,836	1,460	3,922
Payroll fringes	9,952	2,792	9,833	1,799	3,305
Subtotal	146,852	31,162	117,807	12,163	34,252
Consultants	-	-	-	-	-
Travel	15,022	3,553	8,550	1,577	2,637
Space costs	-	-	3	-	-
Communications	468	4	24	2	6
Consumable supplies	7,725	22	93	17	24
Purchase of equipment	-	-	-	-	-
Other costs	9	-	-	-	-
In-kind expenditures	-	-	-	-	-
Total program services	170,076	34,741	126,477	13,759	36,919
Supporting services					
Salaries	7,698	-	7,478	-	-
Payroll taxes	685	-	655	-	-
Payroll fringes	3,450	-	2,023	-	-
Subtotal	11,833	-	10,156	-	-
Consultants	1,056	563	1,079	464	660
Travel	338	44	285	27	71
Space costs	961	143	1,401	92	235
Communications	1,245	798	661	151	226
Consumable supplies	2,617	640	1,520	378	715
Purchase of equipment	-	-	-	-	-
Other costs	-	-	-	-	-
Total supporting expenses	18,050	2,188	15,102	1,112	1,907
Total expenses	188,126	36,929	141,579	14,871	38,826
Change in net assets	444	861	(6,315)	-	(2)
Net assets (deficit) - beginning of year	-	(1,360)	(13,261)	-	2
Net assets (deficit) - end of year	\$ 444	\$ (499)	\$ (19,576)	\$ -	\$ -

Luce Take Five	Sault Tribe Elderly Services	Tobacco Settlement Respite	Title III - C2 HDM	Title III - C1 Congregate	Title III - B
\$ -	\$ -	\$ -	\$ 4,586	\$ -	\$ -
-	-	-	-	47,041	-
-	-	767	41,492	86,075	394
-	3,612	22,313	267,588	172,366	40,001
-	3,612	23,080	313,666	305,482	40,395
-	-	-	-	-	-
-	-	19	476	476	76
-	-	-	-	-	-
-	-	19	476	476	76
-	3,612	23,099	314,142	305,958	40,471
-	-	-	-	-	-
-	2,018	16,079	84,899	44,592	27,388
-	310	2,319	13,647	10,788	2,334
-	111	1,844	12,697	8,178	6,389
-	2,439	20,242	111,243	63,558	36,111
-	1	-	-	-	-
-	401	1,651	16,391	2,961	2,123
-	-	-	14,123	47,396	797
7,500	1	3	25	50	-
-	-	12	115,771	83,717	26
-	-	-	-	-	-
-	-	-	777	2,503	-
-	-	-	-	47,041	-
7,500	2,842	21,908	258,330	247,226	39,057
-	-	-	32,278	33,033	-
-	-	-	3,200	3,278	-
-	-	-	8,726	7,682	-
-	-	-	44,204	43,993	-
-	96	444	1,551	2,591	216
-	71	35	1,165	416	353
-	1	106	3,163	7,263	437
-	36	130	4,343	2,681	196
-	86	476	1,386	1,621	212
-	-	-	-	-	-
-	-	-	-	167	-
-	290	1,191	55,812	58,732	1,414
7,500	3,132	23,099	314,142	305,958	40,471
(7,500)	480	-	-	-	-
7,500	-	-	778	-	-
\$ -	\$ 480	\$ -	\$ 778	\$ -	\$ -

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
SENIOR PROGRAMMING**

YEAR ENDED SEPTEMBER 30, 2006

	Homemaker	Local Public	Senior Day	Chippewa Take Five	MPCB
Support					
Cash contributions	\$ -	\$ 2,000	\$ -	\$ 21,600	\$ -
In-kind contributions	28,614	-	-	1,190	-
Participants and projects	789	-	-	-	2,300
Grants and contracts	43,301	56,572	-	64,162	-
Total support	72,704	58,572	-	86,952	2,300
Revenue					
Interest	-	-	-	-	-
Other	38	30	-	-	-
Rent	-	-	-	900	-
Total revenue	38	30	-	900	-
Total support and revenue	72,742	58,602	-	87,852	2,300
EXPENSES					
Program services					
Salaries	16,881	-	-	40,670	-
Payroll taxes	4,534	-	-	6,639	-
Payroll fringes	2,784	-	-	5,022	-
Subtotal	24,199	-	-	52,331	-
Consultants	-	5,267	-	-	3,770
Travel	5,064	-	-	170	-
Space costs	-	2,136	-	12,397	-
Communications	7	278	-	1,358	-
Consumable supplies	31	960	-	869	-
Purchase of equipment	-	-	-	-	-
Other costs	9,028	1	-	125	-
In-kind expenditures	28,614	-	-	1,190	-
Total program services	66,943	8,642	-	68,440	3,770
Supporting services					
Salaries	2,361	-	-	-	-
Payroll taxes	244	-	-	-	-
Payroll fringes	412	-	-	-	-
Subtotal	3,017	-	-	-	-
Consultants	939	256	-	291	-
Travel	80	255	-	33	-
Space costs	346	-	-	6,667	-
Communications	476	166	-	689	6
Consumable supplies	941	8	-	284	-
Purchase of equipment	-	-	-	-	-
Other costs	-	-	-	-	-
Total supporting expenses	5,799	685	-	7,964	6
Total expenses	72,742	9,327	-	76,404	3,776
Change in net assets	-	49,275	-	11,448	(1,476)
Net assets (deficit) - beginning of year	-	1	403	3,277	5,093
Net assets - end of year	\$ -	\$ 49,276	\$ 403	\$ 14,725	\$ 3,617

NFC Respite	Home Injury Control	TRIAD	Take Five Memorium	Totals
\$ -	\$ -	\$ 779	\$ 2,240	\$ 31,205
-	-	-	-	76,845
431	56	-	4,969	311,564
18,973	8,981	-	25	938,656
19,404	9,037	779	7,234	1,358,270
-	-	-	-	-
19	-	-	-	1,400
-	-	-	-	900
19	-	-	-	2,300
19,423	9,037	779	7,234	1,360,570
14,114	-	-	-	522,685
1,889	-	-	-	80,971
1,148	-	-	-	65,854
17,151	-	-	-	669,510
-	1	-	-	9,039
1,132	-	375	-	61,607
-	-	75	-	76,927
2	68	135	-	9,931
8	8,089	33	-	217,397
-	-	-	-	-
-	-	-	-	12,443
-	-	-	-	76,845
18,293	8,158	618	-	1,133,699
-	-	-	-	82,848
-	-	-	-	8,062
-	-	-	-	22,293
-	-	-	-	113,203
454	65	-	-	10,725
27	-	-	-	3,200
92	-	-	-	20,907
125	43	-	-	11,972
433	11	2	-	11,330
-	-	-	-	-
-	-	-	-	167
1,131	119	2	-	171,504
19,424	8,277	620	-	1,305,203
(1)	760	159	7,234	55,367
1	(760)	101	1,409	3,184
\$ -	\$ -	\$ 260	\$ 8,643	\$ 58,551

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
ENERGY CRISIS PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	General Weatherization Energy	Emergency Energy Assistance Chippewa	Weatherization Assistance 4/1/05-3/31/06	Weatherization Assistance 4/1/04-3/31/05	Save Energy with Ease
Support					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
In kind contributions	-	-	-	-	-
Participants and projects	-	-	-	-	-
Grants and contracts	-	18,000	140,742	85,951	1,825
Total support	-	18,000	140,742	85,951	1,825
Revenue					
Interest	-	-	-	-	-
Other	-	-	750	14,150	-
Rent	-	-	-	-	-
Total revenue	-	-	750	14,150	-
Total support and revenue	-	18,000	141,492	100,101	1,825
EXPENSES					
Program services					
Salaries	-	-	51,246	43,920	569
Payroll taxes	-	-	6,536	3,357	9
Payroll fringes	-	-	11,951	7,813	-
Subtotal	-	-	69,733	55,090	578
Consultants	-	-	-	-	657
Travel	-	-	1,495	432	-
Space costs	-	-	-	224	-
Communications	-	-	396	438	184
Consumable supplies	-	-	55,408	14,160	30
Purchase of equipment	-	-	1,675	-	-
Other costs	-	18,000	2,977	1,967	-
In-kind expenditures	-	-	-	-	-
Total program services	-	18,000	131,684	72,311	1,449
Supporting services					
Salaries	-	-	3,523	3,165	-
Payroll taxes	-	-	398	226	-
Payroll fringes	-	-	1,166	4,746	63
Subtotal	-	-	5,087	8,137	63
Consultants	-	-	1,165	-	-
Travel	-	-	-	-	-
Space costs	-	-	2,041	1,766	-
Communications	-	-	947	1,110	-
Consumable supplies	-	-	401	1,307	-
Purchase of equip	-	-	-	-	-
Other costs	-	-	167	1,335	-
Total supporting expenses	-	-	9,808	13,655	63
Total expenses	-	18,000	141,492	85,966	1,512
Change in net assets	-	-	-	14,135	313
Net assets (deficit) - beginning of year	407	-	-	(279)	-
Net assets (deficit) - end of year	\$ 407	\$ -	\$ -	\$ 13,856	\$ 313

MCAA Weatherization	MCAA Winter warmth Project	MCAA Winter warmth Project 2	MCAA Walk for Warmth	FIA Deliverable Fuels	Local Walk for Warmth
\$ -	\$ -	\$ -	\$ 20,304	\$ -	\$ 35,578
-	-	-	-	-	-
-	-	-	-	-	-
65,638	65,934	13,057	-	73,169	-
65,638	65,934	13,057	20,304	73,169	35,578
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,638	65,934	13,057	20,304	73,169	35,578
-	-	282	-	-	-
534	211	28	-	-	-
1,720	312	248	-	-	-
2,254	523	558	-	-	-
833	-	-	-	-	958
407	-	-	-	-	-
269	-	76	-	-	-
283	-	-	-	-	285
50,269	-	10,039	-	-	612
-	-	-	-	-	-
6,285	61,322	1,978	18,508	73,169	33,677
-	-	-	-	-	-
60,600	61,845	12,651	18,508	73,169	35,532
4,362	2,343	266	-	-	-
-	5	-	-	-	-
593	460	140	-	-	-
4,955	2,808	406	-	-	-
-	143	-	-	-	-
-	-	-	-	-	-
83	127	-	-	-	-
-	799	-	-	-	41
-	212	-	-	-	104
-	-	-	-	-	-
-	-	-	-	-	-
5,038	4,089	406	-	-	145
65,638	65,934	13,057	18,508	73,169	35,677
-	-	-	1,796	-	(99)
-	-	16	-	-	2,828
\$ -	\$ -	\$ 16	\$ 1,796	\$ -	\$ 2,729

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
ENERGY CRISIS PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	MPSC MCAAA Weatherization 11/30/2005	MPSC 7/31/06	LIHEAP	LIHEAP September 2004 through August 2005	Total Unrestricted	Temporarily Restricted- Sault Tribe
Support						
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ 55,882	\$ -
In kind contributions	-	-	-	-	-	-
Participants and projects	-	-	-	-	-	-
Grants and contracts	3,616	28,858	18,674	7,432	522,896	-
Total support	3,616	28,858	18,674	7,432	578,778	-
Revenue						
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	14,900	-
Rental income	-	-	-	-	-	-
Total revenue	-	-	-	-	14,900	-
Total support and revenue	3,616	28,858	18,674	7,432	593,678	-
EXPENSES						
Program services						
Salaries	2,412	1,253	1,669	-	101,351	-
Payroll taxes	-	95	355	-	11,125	-
Payroll fringes	-	470	944	-	23,458	-
Subtotal	2,412	1,818	2,968	-	135,934	-
Consultants	-	-	-	-	2,448	-
Travel	-	-	-	-	2,334	-
Space costs	-	70	-	-	639	-
Communications	-	-	-	-	1,586	-
Consumable supplies	1,204	-	13,616	7,432	152,770	-
Purchase of equipment	-	-	-	-	1,675	-
Other costs	-	26,839	-	-	244,722	-
In-kind expenditures	-	-	-	-	-	-
Total program services	3,616	28,727	16,584	7,432	542,108	-
Supporting services						
Salaries	-	-	1,774	-	15,433	-
Payroll taxes	-	-	125	-	754	-
Payroll fringes	-	131	191	-	7,490	-
Subtotal	-	131	2,090	-	23,677	-
Consultants	-	-	-	-	1,308	-
Travel	-	-	-	-	-	-
Space costs	-	-	-	-	4,017	-
Communications	-	-	-	-	2,897	-
Consumable supplies	-	-	-	-	2,024	-
Purchase of equipment	-	-	-	-	-	-
Other costs	-	-	-	-	1,502	-
Total supporting expenses	-	131	2,090	-	35,425	-
Total expenses	3,616	28,858	18,674	7,432	577,533	-
Change in net assets	-	-	-	-	16,145	-
Net assets (deficit) - beginning of year	-	-	634	(579)	3,027	2,733
Net assets (deficit) - end of year	\$ -	\$ -	\$ 634	\$ (579)	\$ 19,172	\$ 2,733

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCES AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
HOUSING AND COMMUNITY DEVELOPMENT PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	Homebuyer	CHDO General Operating Grant	GLCF	Predevelopment St. Ignace Housing
Support				
Cash contributions	\$ -	\$ -	\$ -	\$ 853,500
In-kind contributions	-	-	-	-
Participants and projects	-	-	-	-
Grants and contracts	6,461	15,000	3,005	435,070
Total support	6,461	15,000	3,005	1,288,570
Revenue				
Interest	-	-	-	-
Other	-	-	-	150
Rent	-	-	-	-
Total revenue	-	-	-	150
Total support and revenue	6,461	15,000	3,005	1,288,720
EXPENSES				
Program services				
Salaries	-	7,934	885	-
Payroll taxes	-	91	-	-
Payroll fringes	-	3,041	345	-
Subtotal	-	11,066	1,230	-
Consultants	-	-	-	-
Travel	417	1,133	693	760
Space costs	-	-	-	89
Communications	-	35	106	-
Consumable supplies	-	15	-	1
Purchase of equipment	-	-	-	-
Other costs	4,368	11	14	-
In-kind expenditures	-	-	-	-
Total program services	4,785	12,260	2,043	850
Supporting services				
Salaries	-	-	-	-
Payroll taxes	-	435	152	-
Payroll fringes	-	88	123	-
Subtotal	-	523	275	-
Consultants	-	57	-	-
Travel	-	-	-	-
Space costs	-	-	-	-
Communications	24	580	5	102
Consumable supplies	2	3,231	12	(1)
Purchase of equip	-	-	-	-
Other costs	-	-	-	-
Total supporting expenses	26	4,391	292	101
Total expenses	4,811	16,651	2,335	951
Change in net assets	1,650	(1,651)	670	1,287,769
Net assets (deficit) - beginning of year	-	-	-	(165,999)
Net assets (deficit) - end of year	\$ 1,650	\$ (1,651)	\$ 670	\$ 1,121,770

Mackinac County CDBG Programs	HOME LINKS	Chippewa County CDBG Programs	Luce County CDBG Programs
\$ -	\$ -	\$ -	\$ -
-	-	-	-
13,175	-	31,311	17,399
52,208	-	142,371	39,556
65,383	-	173,682	56,955
-	-	-	-
1,366	-	-	-
-	-	-	-
1,366	-	-	-
66,749	-	173,682	56,955
2,254	-	1,989	-
66	-	730	-
834	-	353	-
3,154	-	3,072	-
75	-	89	75
355	-	2	-
1,686	-	-	-
174	-	76	24
-	-	-	-
-	-	-	-
42,260	-	125,171	55,656
-	-	-	-
47,704	-	128,410	55,755
2,650	-	29,220	-
293	-	2,081	-
784	-	8,616	-
3,727	-	39,917	-
147	-	184	18
-	-	39	164
269	-	891	-
65	-	320	7
151	-	855	13
-	-	-	-
-	-	167	-
4,359	-	42,373	202
52,063	-	170,783	55,957
14,686	-	2,899	998
1,426	13	(4)	5,719
\$ 16,112	\$ 13	\$ 2,895	\$ 6,717

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCES AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
HOUSING AND COMMUNITY DEVELOPMENT PROGRAM**

YEAR ENDED SEPTEMBER 30, 2006

	Luce Community Center	HOME Rehab/Acquisition	Totals
Support			
Cash contributions	\$ -	\$ -	\$ 853,500
In-kind contributions	-	-	-
Participants and projects	-	-	61,885
Grants and contracts	-	1,834	695,505
Total support	-	1,834	1,610,890
Revenue			
Interest	-	-	-
Other	-	-	1,516
Rent	-	-	-
Total revenue	-	-	1,516
Total support and revenue	-	1,834	1,612,406
EXPENSES			
Program services			
Salaries	-	-	13,062
Payroll taxes	-	-	887
Payroll fringes	-	-	4,573
Subtotal	-	-	18,522
Consultants	675	-	914
Travel	-	-	3,360
Space costs	851	-	2,626
Communications	-	-	415
Consumable supplies	-	-	16
Purchase of equipment	-	-	-
Other costs	1,011	-	228,491
In-kind expenditures	-	-	-
Total program services	2,537	-	254,344
Supporting services			
Salaries	-	-	31,870
Payroll taxes	-	-	2,961
Payroll fringes	-	-	9,611
Subtotal	-	-	44,442
Consultants	38	-	444
Travel	-	-	203
Space costs	-	-	1,160
Communications	-	-	1,103
Consumable supplies	3	-	4,266
Purchase of equipment	-	-	-
Other costs	-	-	167
Total supporting expenses	41	-	51,785
Total expenses	2,578	-	306,129
Change in net assets	(2,578)	1,834	1,306,277
Net assets (deficit) - beginning of year	(132,441)	114	(291,172)
Net assets (deficit) - end of year	\$ (135,019)	\$ 1,948	\$ 1,015,105

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PLANT**

YEAR ENDED SEPTEMBER 30, 2006

	New St. Ignace Multi - Purpose Center	St. Ignace Multi-purpose Center	Sewell Avery Center	Avery Square Senior Housing Management
Support				
Cash contributions	\$ -	\$ -	\$ 4,500	\$ -
In-kind contributions	-	-	-	-
Participants and projects	-	-	-	110,694
Grants and contracts	-	-	50	-
Total support	-	-	4,550	110,694
Revenue				
Interest	-	-	-	-
Other	-	-	53,033	-
Rent	98,451	-	118,922	-
Total revenue	98,451	-	171,955	-
Total support and revenue	98,451	-	176,505	110,694
EXPENSES				
Program services				
Salaries	1,032	-	3,595	24,105
Payroll taxes	207	-	1,408	3,098
Payroll fringes	590	-	2,252	5,977
Subtotal	1,829	-	7,255	33,180
Consultants	-	-	-	5,958
Travel	52	-	-	288
Space costs	33,790	133,501	76,218	41,869
Communications	694	-	2,013	1,613
Consumable supplies	326	-	1,250	1,706
Purchase/rent of equipment	-	-	1	-
Interest	-	45,620	310	-
Other costs	2,597	-	1,375	462
Depreciation and amortization	-	-	162,985	-
In-kind expenditures	-	-	-	-
Total program services	39,288	179,121	251,407	85,076
Supporting services				
Salaries	-	-	-	11,644
Payroll taxes	-	-	-	1,189
Payroll fringes	-	-	-	4,947
Subtotal	-	-	-	17,780
Consultants	154	-	268	326
Travel	-	-	-	-
Space costs	-	-	-	777
Communications	-	-	-	2,073
Consumable supplies	90	1	138	1,912
Purchase of equip	-	-	-	-
Other costs	-	-	-	167
Total supporting expenses	244	1	406	23,035
Total expenses	39,532	179,122	251,813	108,111
Change in net assets	58,919	(179,122)	(75,308)	2,583
Net assets (deficit) - beginning of year	(57,257)	(16,595)	747,310	(2,171)
Net assets (deficit) - end of year	\$ 1,662	\$ (195,717)	\$ 672,002	\$ 412

Local Property		Totals	
Grant			
\$	-	\$	4,500
	-		-
	-		110,694
	-		50
	-		115,244
	-		-
	2,267		55,300
	-		217,373
	2,267		272,673
	2,267		387,917
	-		28,732
	-		4,713
	-		8,819
	-		42,264
	-		5,958
	-		340
	-		285,378
	-		4,320
	-		3,282
	-		1
	1,038		46,968
	-		4,434
	-		162,985
	-		-
	1,038		555,930
	-		11,644
	-		1,189
	-		4,947
	-		17,780
	-		748
	-		-
	-		777
	-		2,073
	-		2,141
	-		-
	-		167
	-		23,686
	1,038		579,616
	1,229		(191,699)
	(2,152)		669,135
\$	(923)	\$	477,436

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
AVERY SQUARE RETAIL BUILDING**

YEAR ENDED SEPTEMBER 30, 2006

	Snookies Deli	Avery Square Retail Building Management	Totals
Support			
Cash contributions	\$ -	\$ 425	\$ 425
In-kind contributions	-	-	-
Participants and projects	-	-	-
Grants and contracts	-	-	-
Total support	-	425	425
Revenue			
Interest	-	-	-
Other	-	17,542	17,542
Rent	-	181,061	181,061
Total revenue	-	198,603	198,603
Total support and revenue	-	199,028	199,028
EXPENSES			
Program services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	-	-
Subtotal	-	-	-
Consultants	-	28	28
Travel	-	4	4
Space costs	-	175,318	175,318
Communications	-	-	-
Consumable supplies	-	3,265	3,265
Purchase of equipment	-	-	-
Interest	-	28,430	28,430
Other costs	-	29,514	29,514
Depreciation and amortization	-	55,259	55,259
In-kind expenditures	-	-	-
Total program services	-	291,818	291,818
Supporting services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	-	-
Subtotal	-	-	-
Consultants	-	366	366
Travel	-	-	-
Space costs	-	-	-
Communications	-	10	10
Consumable supplies	-	292	292
Purchase of equipment	-	-	-
Other costs	-	-	-
Total supporting expenses	-	668	668
Total expenses	-	292,486	292,486
Change in net assets	-	(93,458)	(93,458)
Net assets (deficit) - beginning of year	(57,027)	771,502	714,475
Net assets (deficit) - end of year	\$ (57,027)	\$ 678,044	\$ 621,017

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF OPERATING REVENUES**

YEAR ENDED SEPTEMBER 30, 2006

	City of Sault Ste. Marie
OPERATING REVENUES	
Linehaul - (farebox)	\$ 11,430
Demand response - (farebox)	<u>20,636</u>
TOTAL OPERATING REVENUE	<u>\$ 32,066</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2006

Cash flows from operating activities	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities which provided cash:	
Increase in accounts receivable	361
Increase in grants receivable	19,779
Decrease in accounts payable	12,248
Decrease in accrued expenses	<u>21,813</u>
Net cash provided by operating activities	54,201
Cash and cash equivalents- beginning of year	<u>162,252</u>
Cash and cash equivalents- end of year	<u><u>\$ 216,453</u></u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF OPERATING EXPENSES - SAULT STE. MARIE DART SYSTEM
GENERAL OPERATIONS**

YEAR ENDED SEPTEMBER 30, 2006

	<u>Operations</u>	<u>Maintenance</u>	<u>General Administration</u>	<u>Total System</u>
Labor				
Operators' salaries and wages	\$ 117,625	\$ -	\$ -	\$ 117,625
Other salaries and wages	-	28,787	38,613	67,400
Dispatchers' salaries and wages	28,406	-	-	28,406
Fringe benefits	47,477	19,416	22,402	89,295
Services				
Advertising	152	-	-	152
Audit cost	-	-	1,500	1,500
Other	771	1,897	89	2,757
Materials and supplies consumed				
Fuel and lubricants	28,354	885	-	29,239
Tires and tubes	-	207	-	207
Other materials and supplies	303	7,487	2,281	10,071
Utilities	4,115	5,703	454	10,272
Casualty and liability costs				
Other insurance	-	345	167	512
Miscellaneous expenses				
Travel and meetings	320	-	-	320
Other miscellaneous	550	-	-	550
Leases and rentals	-	-	1,356	1,356
Total expenses	<u>\$ 228,073</u>	<u>\$ 64,727</u>	<u>\$ 66,862</u>	<u>\$ 359,662</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF NONOPERATING REVENUE - SAULT STE. MARIE DART SYSTEM**

YEAR ENDED SEPTEMBER 30, 2006

Local operating grants

City of Sault Ste. Marie and International Bridge Authority	<u>\$ 125,054</u>
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State of Michigan operating grants

Formula operating assistance (Act 51)	<u>\$ 141,155</u>
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Federal operating grants

U.S. Department of Transportation Operating Grants - Section 5311 contract # MI-18-X039	<u>\$ 61,137</u>
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Federal/State capital grants

Federal section 5311 program contract # MI-18-X037	<u>\$ 6,734</u>
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**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF NET ELIGIBLE COSTS - CITY OF SAULT STE. MARIE DART SYSTEM**

YEAR ENDED SEPTEMBER 30, 2006

	Sault Ste. Marie Dart Federal Section 5311	Sault Ste. Marie Dart State Operating Assistance
Expenses		
Labor	\$ 213,431	\$ 213,431
Fringe benefits	89,295	89,295
Services	4,409	4,409
Materials	39,517	39,517
Utilities	10,272	10,272
Insurance	512	512
Miscellaneous	870	870
Leases and rentals	1,356	1,356
Total expenses	359,662	359,662
Less ineligible expenses		
Association dues	(32)	(32)
Net eligible expenses	359,630	359,630
Operating Assistance		
Maximum Section 5311 reimbursement (17%)	<u>\$ 61,137</u>	(61,137)
Eligible for state operating assistance		298,493
Statutory cap - net eligible expenses * 39.25%		<u>\$ 117,159</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**APPLICATION OF STATE BLOCK GRANT FUNDS -
GRANT NO. MSC 2004-0754-HOA - LUCE COUNTY**

FOR THE PERIOD JUNE 1, 2004 THROUGH MAY 31, 2006

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended May 31, 2006	Over (Under)
Total general administration and project management	\$ 22,750	\$ 22,750	\$ -
Emergency grant	15,250	15,485	235
Single family housing rehabilitation	87,000	86,765	(235)
Subtotal	125,000	125,000	-
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	30,000	57,681	27,681
Total	\$ 155,000	\$ 182,681	\$ 27,681

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS
APPLICATION OF STATE BLOCK GRANT FUNDS -
GRANT NO. MSC 2005-0754-HOA - LUCE COUNTY**

FOR THE PERIOD JANUARY 1, 2006 THROUGH SEPTEMBER 30, 2006

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended September 30, 2006	Over (Under)
	<hr/>	<hr/>	<hr/>
Total general administration and project management	\$ 22,500	\$ 3,154	\$ (19,346)
Emergency grant	15,000	-	(15,000)
Single family housing rehabilitation	<hr/> 87,500	<hr/> 10,927	<hr/> (76,573)
Subtotal	<hr/> 125,000	<hr/> 14,081	<hr/> (110,919)
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<hr/> 22,000	<hr/> -	<hr/> (22,000)
Total	<hr/> \$ 147,000	<hr/> \$ 14,081	<hr/> \$ (132,919)

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**APPLICATION OF STATE BLOCK GRANT FUNDS -
GRANT NO. MSC 2005-0731-HOA - CHIPPEWA COUNTY**

FOR THE PERIOD JANUARY 1, 2005 THROUGH SEPTEMBER 30, 2006

	Authorized Costs	Actual Costs, Through Period Ended September 30, 2006	Over (Under)
Activity			
Total general administration and project management	\$ 54,000	\$ 32,386	\$ (21,614)
Single family housing rehabilitation	221,400	150,055	(71,345)
Emergency grants	<u>24,600</u>	<u>12,316</u>	<u>(12,284)</u>
Subtotal	<u>300,000</u>	<u>194,757</u>	<u>(105,243)</u>
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<u>61,500</u>	<u>122,040</u>	<u>60,540</u>
Total	<u><u>\$ 361,500</u></u>	<u><u>\$ 316,797</u></u>	<u><u>\$ (44,703)</u></u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**APPLICATION OF STATE BLOCK GRANT FUNDS -
GRANT NO. MSC 2006-0731-HOA - CHIPPEWA COUNTY**

FOR THE PERIOD APRIL 1, 2006 THROUGH SEPTEMBER 30, 2006

	<u>Authorized Costs</u>	<u>Actual Costs, Through Period Ended September 30, 2006</u>	<u>Over (Under)</u>
Activity			
Single family housing rehabilitation	<u>\$ 115,300</u>	<u>\$ -</u>	<u>\$ (115,300)</u>
Subtotal	<u>115,300</u>	<u>-</u>	<u>(115,300)</u>
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<u>40,225</u>	<u>-</u>	<u>(40,225)</u>
Total	<u><u>\$ 155,525</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (155,525)</u></u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**APPLICATION OF STATE BLOCK GRANT FUNDS -
GRANT NO. MSC 2005-0742-HOA - MACKINAC COUNTY**

FOR THE PERIOD JANUARY 1, 2005 THROUGH SEPTEMBER 30, 2006

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended September 30, 2006	Over (Under)
	<hr/>	<hr/>	<hr/>
Total general administration and project management	\$ 27,000	\$ 27,000	\$ -
Single family housing rehabilitation	105,000	100,227	(4,773)
Emergency grants	<hr/> 18,000	<hr/> 10,923	<hr/> (7,077)
Subtotal	<hr/> 150,000	<hr/> 138,150	<hr/> (11,850)
Other Funds/Sources			
CHIP, Weatherization, Homeowner, Sault Tribe	<hr/> 46,125	<hr/> 63,587	<hr/> 17,462
Total	<hr/> \$ 196,125	<hr/> \$ 201,737	<hr/> \$ 5,612



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 21, 2007

Board of Directors
Chippewa – Luce – Mackinac Community
Action Human Resource Authority, Inc.

We have audited the financial statements of *Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc.* (the "Authority") as of and for the year ended September 30, 2006, and have issued our report thereon dated March 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

March 21, 2007

Board of Directors
Community Action Agency
Jackson, Michigan

Compliance

We have audited the compliance of Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc. (the "Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Community Action Agency's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large, stylized 'L' and 'L'.

CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2006

Federal/Pass-through Grantor Program Title	CFDA Number	AWARD AMOUNT	Federal/ Pass-through Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Passed-through Michigan Department of Education:				
Child and Adult Care Food Program	10.558	\$ 121,537	-n/a-	\$ 121,537
TEFAP	10.568	27,812	17-000-1007C	27,812
Passed through Upper Peninsula Area on Aging:				
Congregate Meals	10.558	24,383	UP06C1	24,383
Home Delivered Meals	10.558	50,863	UP06C1	50,863
Passed through Dickinson Iron Community Services Agency:				
Child and Adult Care Food Program	10.558	10,536	-n/a-	10,537
Total U.S. Department of Agriculture				235,132
U.S. Department of Health and Human Services				
Direct programs:				
Head Start	93.600	1,987,762	2005 G054122/05CH407339	186,864
Head Start	93.600	1,963,924	2005 G054120/05CH407339	1,734,873
Head Start	93.600	24,496	2005 G054120/05407339	1,636
Head Start	93.600	24,496	2005 G054120/05407339	22,245
Early Head Start	93.600	21,321	2006 G051126/05CH407340	20,394
Early Head Start	93.600	852,842	2005 G054125/05CH407339	47,499
Early Head Start	93.600	841,795	2006 G051125/05CH407340	772,830
Passed through Upper Peninsula Area on Aging:				
National family caregiver support program	93.052	32,194	-n/a-	32,194
Title III B	93.044	68,398	-n/a-	68,398
Title III C	93.045	161,674	-n/a-	161,674
Passed through Michigan Department of Human Services:				
Temporary Assistance for Needy Families	93.558	19,768	TANF-06-17006	19,768
Low Income Home Energy Assistance - Crisis Assistance	93.568	73,169	LCA-06-17006	73,169
Low Income Home Energy Assistance	93.568	88,800	LIHEAP-05-17006	18,674
Low Income Home Energy Assistance	93.568	44,400	LIHEAP-06-17006	7,432
Community Services Block Grant	93.569	24,975	CSBG-D-05-17001	17,362
Community Services Block Grant	93.569	165,643	CSBG-06-17006	164,508
Community Services Block Grant	93.569	15,000	CSBG-T-06-17006	15,000
Community Services Block Grant	93.569	15,000	CSBG-D-05-17002	15,000
Passed through Michigan Community Action Agency Association:				
Planning Assistance-Water/Waste	93.570	37,350	-n/a-	31,943
Planning Assistance-Solid Waste	66.606	16,124	-n/a-	16,124
Passed through Hiawatha Behavioral Health:				
Block grants for mental health services	93.958	43,200	-n/a-	43,200
Total U.S. Department of Health and Human Services				3,470,787
U.S. Department of Energy				
Passed through Michigan Department of Human Services:				
Weatherization assistance	81.042	237,092	DOE-05-17006	140,831
Weatherization assistance	81.042	238,773	DOE-06-17006	86,679
Total U.S. Department of Energy				227,510

Continued...

CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.
Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended September 30, 2006

Federal/Pass-through Grantor Program Title	CFDA Number	AWARD AMOUNT	Federal/ Pass-through Grantor Number	Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through Michigan State Housing Development Authority:				
Community Development Block Grant- Mackinac County	14.228	150,000	MSC-2005-0742-HOA	\$ 57,208
Community Development Block Grant - Chippewa County	14.228	300,000	MSC-2005-0731-HOA	142,371
Community Development Block Grant - Chippewa County	14.228	115,300	MSC-2006-0731	6,461
Community Development Block Grant - Luce County	14.228	125,000	MSC-2004-0754-HOA	25,475
Community Development Block Grant - Luce County	14.228	125,000	MSC-2005-0754-HOA	14,081
Home Investment Partnerships Program	14.239	633,000	M-2004-0012	435,070
Home Investment Partnerships Program	14.239	15,000	M-2006-0012-CGO	15,000
Passed through Eastern Upper Peninsula Veteran Service Foundation:				
Sault Ste. Marie Supportive Housing Project	14.235	765,497	MI28B000001	80,734
Total U.S. Department of Housing and Urban Development				776,400
U.S. Department of Homeland Security				
Direct Programs:				
Emergency Food and Shelter National Board Program	97.024	8,000	24-466600-002	8,418
Emergency Food and Shelter National Board Program	97.024	2,500	24-474200-001	2,500
Emergency Food and Shelter National Board Program	97.024	6,374	24-474400-004	6,374
Total U.S. Department of Homeland Security				17,292
U.S. Department of Transportation				
Passed through Michigan Department of Transportation:				
Section 5311 Operating Assistance	20.509	64,603	MI-18-X039	61,137
Section 5311 Capital grant	20.509	44,000	MI-03-0189	4,810
Total U.S. Department of Transportation				65,947
Total Federal Awards				\$ 4,793,068

Notes to Schedule of Expenditures of Federal Awards

1) Basis of presentation-

The schedule of expenditures of federal awards includes the federal grant activity of the CLM-CAHRA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

**CHIPPEWA – LUCE – MACKINAC COMMUNITY ACTION HUMAN
RESOURCE AUTHORITY, INC.**

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2006**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

____ Yes X none reported

Noncompliance material to financial statements
noted?

____ Yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

____ Yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

____ Yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

____ Yes X no

**CHIPPEWA – LUCE – MACKINAC COMMUNITY ACTION HUMAN
RESOURCE AUTHORITY, INC.**

**Schedule of Findings and Questioned Costs (Concluded)
For the Year Ended September 30, 2006**

SECTION I – SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish
Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – PRIOR YEAR FINDINGS

In the prior year the Authority did not maintain the level of enrollment for Head Start programs as stated in the grant award document. This finding was corrected in the current year.
